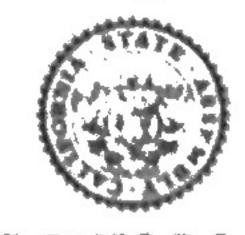
COMMITTEES
CHAIR: HIGHER EDUCATION
EDUCATION
NATURAL RESOURCES
UTILITIES AND COMMERCE

CHAIR: SELECT COMMITTEE ON INNOVATIVE GREEN FINANCING MECHANISMS

Assembly California Tegislature



DAS WILLIAMS

ASSEMBLYMEMBER, THIRTY-SEVENTH DISTRICT

P.O. BOX 942849 SACRAMENTO, CA 94249-0037 (916) 319-2037 FAX (916) 319-2137

DISTRICT OFFICES

101 WEST ANAPAMU STREET, SUITE A

SANTA BARBARA, CA 93101

(805) 564-1649

FAX (805) 564-1651

50 WEST MAIN STREET VENTURA, CA 93001 (805) 641-3700 FAX (805) 641-3708

James Watson, Director
Bureau of Safety and Environmental Enforcement
Department of the Interior
1849 C Street, NW
Washington, D.C. 20240

Tommy Beaudreau, Director
Bureau of Ocean Energy Management
Department of the Interior
1849 C Street, NW
Washington, D.C. 20240

Gina McCarthy, Administrator Environmental Protection Agency 1200 Pennsylvania Avenue, N.W. Washington, DC 20460

August 6, 2013

Dear Directors Watson and Beaudreau and Administrator McCarthy,

We write today to express extreme concern regarding recent news reports of the potentially wide-spread use of a variety of well stimulation techniques in offshore oil and gas drilling operations. As residents of and legislators in California, we know firsthand how devastating a spill in the ocean is. While almost 40 years ago, it is not easy to forget the nation's third largest oil spill off the coast of Santa Barbara, which devastated the coastal environment and local economy for years.

Hydraulic fracturing or "fracking" is a controversial well stimulation technique. It's clear that modern fracking technology is being utilized on a more regular basis in order to boost production and satisfy the demand for domestically produced oil and natural gas. In addition to fracking, other advanced well stimulation techniques may also be currently used for offshore oil recovery. Consequently, it's critical we examine existing regulatory structures in order to ensure the protection of human and environmental health in the face of modernized well stimulation techniques and the increased use of those techniques.

As the federal regulators for offshore drilling, we have some specific concerns we hope you can address:

Potential problems associated with well stimulation offshore

Given that the onshore consequences of modern well stimulation technologies, including waste disposal, are still poorly known, it is imperative that regulators investigate how any problems associated with these techniques may manifest themselves for operations offshore. The potential for leaks of toxic

James Watson, Tommy Beaudreau, Gina McCarthy August 6, 2013

fracking and other well stimulation fluids into the ocean environment is a concern. Natural seeps exist. For example, Venoco, on its web site, explains that oil has been naturally leaking through the ocean floor: "Oil seeping into the Channel and onto the beaches is sometimes blamed on oil companies. Yet, history confirms that natural seeps are the cause of this phenomenon." If fracking and other well stimulation techniques are not specifically tracked, permitted, inspected and monitored, it is not clear how regulators would be able to assure the public that these fluids are not also seeping through the natural fractures already in the rocks.

Onshore leakage and spills of well stimulation fluids can be readily monitored. How is a leak detected from a failure of well or formation integrity offshore? Additionally, how is appropriate disposal of the waste well stimulation treatment fluids assured? This is especially worrisome given the proximity of these operations to sensitive marine reserves.

Additional environmental review for well stimulation offshore

To date, all the well stimulation techniques approved by the Bureau of Safety and Environmental Enforcement (BSEE) appear to be modifications of existing drilling permits. It seems obvious that any

fornia's regulatory role

gram a federal agency must conduct its activities (including federal development projects, permits licenses, and assistance to state and local governments) in a manner consistent with the state's tified program. Did the California Coastal Commission review these permit modifications for sistency? Was the use of hydraulic fracturing and other well stimulation activities brought to the fornia Coastal Commission's attention? If not, why?

genuinely hope you will take the time to consider our concerns and look forward to your response --, ---- -- --

langes the scope and intensity of the original ental review. In the cases for those permit litional review was conducted? What potential BSEE specifically determine whether or not an epact Statement (EIS) was required? If not, why? eloped well stimulation techniques used offshore

additional well stimulation, fracking or otherwise, chemitted activity and requires additional environmental modifications approved within the last year, what addenvironmental impacts did the BSEE consider? Did Environmental Assessment (EA) or an Environmental Impoes BSEE know definitively the current and newly developed the control of the control of the control of the control of the current and newly developed the current and newly developed

Call

Fin:

pro

and

cer

con

Cali

Sincerely,

Assemblymember Das Williams, AD 37

Assemblymember Mark Stone, AD 29

famen pelysacusor

Senator Fran Pavley, SD/2

Senator Hannah Beth Jackson, SD 19

http://www.venocoinc.com/natural/seeps.html

James Watson, Tommy Beaudreau, Gina McCarthy August 6, 2013

Novem Em

Senator Noreen Evans, SD 02

Man Lewis

Assemblymember Marc Levine, AD 10

Robert A. Wickmohn

Assemblymember Bob Wieckowski, AD 25

Assemblymember Richard Bloom, AD 50

Assemblymember Adrin Nazarian, AD 46

Cc: Margaret Schneider, Deputy Director, Bureau of Safety and Environmental Enforcement
Walter Cruickshank, Deputy Director, Bureau of Ocean Energy Management

Bob Perciasepe, Deputy Administrator, Environmental Protection Agency

Mary Shallenberger, Chair, California Coastal Commission

Charles Lester, Executive Director, California Coastal Commission